

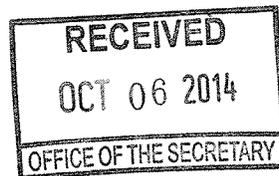
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15993

In the Matter of

Accredited Business Consolidators
Corp., *et al.*,

Respondents.



**DIVISION OF ENFORCEMENT'S
MOTION FOR SUMMARY DISPOSITION AND BRIEF IN SUPPORT**

Thomas Bednar
Neil J. Welch, Jr.
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-6010
(202) 551-4731

COUNSEL FOR
DIVISION OF ENFORCEMENT

TABLE OF CONTENTS

	<u>Page</u>
Table of Authorities	iii
Motion for Summary Disposition	1
Brief in Support.....	1
I. Statement of Facts.....	1
II. Argument	2
A. Standards Applicable to the Division’s Summary Disposition Motion.	2
B. The Division is Entitled to Summary Disposition Against Accredited Business for Violations of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 Thereunder	4
C. Revocation is the Appropriate Sanction for Accredited Business’s Serial Violations of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 Thereunder.....	6
1. Accredited Business’s violations are serious and egregious	7
2. Accredited Business’s violations of Section 13(a) have been not just recurrent, but continuous	8
3. Accredited Business’s degree of culpability, including its officers’ and majority shareholder’s violations of Exchange Act Section 16(a), and Accredited Business’s proxy violations, support revocation.....	8
4. Accredited Business has made no efforts to remedy its past violations, nor has it made any assurances against future violations.....	11
D. Revocation is the Appropriate Remedy for Accredited Business.....	12
III. Conclusion.	13

TABLE OF AUTHORITIES

CASES:	<u>Page</u>
<i>AIC Int’l, Inc.</i> , Initial Dec. Rel. No. 324, 2006 SEC LEXIS 2996 (Dec. 27, 2006)	3, 5
<i>Anderson v. Liberty Lobby, Inc.</i> , 477 U.S. 242 (1986).....	3
<i>Bilogic, Inc.</i> , Initial Decision Rel. No. 322, 2006 SEC LEXIS 2596 (Nov. 9, 2006).....	3, 5
<i>California Service Stations, Inc.</i> , Initial Decision Rel. No. 368, 2009 SEC LEXIS 85 (Jan. 16, 2009).....	3
<i>Chemfix Technologies, Inc.</i> , Initial Decision Rel. No. 378, 2009 SEC LEXIS 2056 (May 15, 2009).....	5
<i>Citizens Capital Corp.</i> , Exchange Act Rel. No. 67313, 2012 SEC LEXIS 2024 (June 29, 2012).....	9
<i>Cobalis Corp.</i> , Exchange Act Rel. No. 57864, Initial Decision Rel. No. 407, 2008 SEC LEXIS 2313 (July 6, 2011).....	7
<i>Eagletech Communications, Inc.</i> , Securities Exchange Act Rel. No. 54095, 2006 SEC LEXIS 1534 (July 5, 2006).....	12
<i>Edward Becker</i> , Initial Decision Rel. No. 252, 2004 SEC LEXIS 1135 (June 3, 2004)	3
<i>Freedom Golf Corp.</i> , Initial Decision Release No. 227, 2003 SEC LEXIS 1178 (May 15, 2003)	8
<i>Garcis, U.S.A.</i> , Securities Exchange Act Rel. No. 38495, 1997 SEC LEXIS 838 (Apr. 10, 1997).....	2
<i>Gateway Int’l Holdings, Inc.</i> , Securities Exchange Act Rel. No. 53907, 2006 SEC LEXIS 1288 (May 31, 2006).....	<i>passim</i>
<i>Hamilton Bancorp, Inc.</i> , Initial Decision Rel. No. 223, 2003 SEC LEXIS 431 (Feb. 24, 2003)	5
<i>Impax Laboratories, Inc.</i> , Securities Exchange Act Rel. No. 57864, 2008 SEC LEXIS 1197 (May 23, 2008).....	6, 12

CASES (continued):.....	Page
<i>Investco, Inc.</i> , Initial Decision Rel. No. 240, 2003 SEC LEXIS 2792 (Nov. 24, 2003)	5, 8
<i>Joseph P. Barbato</i> , Exchange Act Rel. No. 41034, 1999 SEC LEXIS 276 (Feb. 10, 1999).....	9 n.2
<i>Matsushita Elec. Indus. Co. v. Zenith Radio Corp.</i> , 475 U.S. 574 (1986).....	3
<i>Michael Puorro</i> , Initial Decision Rel. No. 253, 2004 SEC LEXIS 1348 (June 28, 2004)	2
<i>Nano World Projects Corp.</i> , Initial Decision Rel. No. 228, 2003 SEC LEXIS 1968 (May 20, 2003)	5
<i>Nature's Sunshine Products, Inc.</i> , Securities Exchange Act Rel. No. 59268, 2009 SEC LEXIS 81 (Jan. 21, 2009).....	7
<i>Ocean Resources, Inc.</i> , Initial Decision Rel. No. 365, 2008 SEC LEXIS 2851 (Dec. 18, 2008)	3, 9
<i>Robert Bruce Lohman</i> , Exchange Act Rel. No. 48092, 2003 SEC LEXIS 1521 (June 26, 2003).....	9 n.2
<i>SEC v. Beisinger Indus. Corp.</i> , 552 F.2d 15 (1 st Cir. 1977)	4
<i>SEC v. Falstaff Brewing Corp.</i> , 629 F.2d 62 (D.C. Cir. 1980).....	10 n.2
<i>St. George Metals, Inc.</i> , Initial Decision Rel. No. 298, 2005 SEC LEXIS 2465 (Sept. 29, 2005)	4, 5
<i>Stansbury Holdings Corp.</i> , Initial Decision Rel. No. 232, 2003 SEC LEXIS 1639 (July 14, 2003)	5, 6
<i>Steadman v. SEC</i> , 603 F.2d 1126 (5 th Cir. 1979).....	6
<i>Stephen Stout</i> , Exchange Act Rel. No. 43410, 2000 SEC LEXIS 2119 (Oct. 4, 2000).....	9 n.2
<i>Wall Street Deli, Inc.</i> , Initial Decision Rel. No. 361, 2008 SEC LEXIS 3153 (Nov. 14, 2008)	3
<i>WSF Corp.</i> , Initial Decision Rel. No. 204, 2002 SEC LEXIS 1242 (May 8, 2002)	5, 6, 7

STATUTES AND REGULATIONS:

Section 12 of the Securities Exchange Act of 1934..... *passim*
Section 12(g) of the Securities Exchange Act of 1934..... *passim*
Section 12(j) of the Securities Exchange Act of 1934..... *passim*
Section 13(a) of the Securities Exchange Act of 1934 *passim*
Section 14(a) of the Securities Exchange Act of 1934 11
Section 14(c) of the Securities Exchange Act of 1934 9
Section 16(a) of the Securities Exchange Act of 1934 8, 9, 10
15 PA. CONS. STAT. § 1755(a) 11

REGULATIONS:

Exchange Act Rule 13a-1 *passim*
Exchange Act Rule 13a-13 *passim*
Exchange Act Rule 16a-1 10
Exchange Act Rule 16a-3 10

RULES OF PRACTICE AND FEDERAL RULES:

Rule 154, 17 C.F.R. § 201.154 1
Rule 250, 17 C.F.R. § 201.250 1, 2
Rule 323, 17 C.F.R. § 201.323 2 n.1
Rule 250(a), 17 C.F.R. § 201.250(a)..... 2
Rule 250(b), 17 C.F.R. § 201.250(b)..... 2
Fed. R. Civ. P. 56..... 2

MOTION FOR SUMMARY DISPOSITION

The Division of Enforcement (“Division”), by counsel, pursuant to Commission Rules of Practice 154 and 250, respectfully moves for an order of summary disposition against Accredited Business Consolidators Corp. (“Accredited Business”) on the grounds that there is no genuine issue with regard to any material fact, and that pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”), the Division is entitled, as a matter of law, to an order revoking each class of securities of Accredited Business registered with the Commission pursuant to Exchange Act Section 12.

BRIEF IN SUPPORT

I. Statement of Facts

Accredited Business is a Pennsylvania corporation located in Managua, Nicaragua with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). (OIP, ¶ II.A.1; Accredited Business Answer, ¶ 1). On May 29, 2014, the Commission’s Division of Corporation Finance (“Corporation Finance”) sent a delinquency letter by registered mail to Accredited Business at its address in Managua, Nicaragua. The delinquency letter stated that Accredited Business appeared to be delinquent in its periodic filings and warned that it could be subject to revocation, and to a trading suspension pursuant to Exchange Act Section 12(k), without further notice if it did not file its required reports within fifteen days of the date of the letter. Corporation Finance did not receive confirmation that the letter was actually received by Accredited Business. (Exhibit (“Ex.”) 1 to the Declaration of Neil J. Welch, Jr. in Support of the Division’s Motion for Summary Disposition (“Welch Decl.”).)

As of October 6, 2014, Accredited Business continued to be delinquent in its periodic reports, and had not filed the required Form 8-K announcing the engagement of an auditor, which would be necessary for the company to file its delinquent audited periodic reports. (EDGAR printout of all filings for Accredited Business, Welch Decl., Ex. 2.)¹

As of October 6, 2014, Accredited Business's stock (symbol "ACDU") was traded on the over-the-counter markets. (Printout from www.otcquote.com database as of October 6, 2014, Welch Decl., Ex. 3.)

II. Argument

A. Standards Applicable to the Division's Summary Disposition Motion.

Rule 250(a) of the Commission's Rules of Practice permits a party to move "for summary disposition of any or all allegations of the order instituting proceedings" before hearing with leave of the hearing officer. 17 C.F.R. § 201.250(a). Rule 250(b) provides that a hearing officer may grant a motion for summary disposition if there is no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law. 17 C.F.R. § 201.250(b); *see Michael Puorro*, Initial Decision Rel. No. 253, 2004 SEC LEXIS 1348, at *3 (June 28, 2004) citing 17 C.F.R. § 201.250; *Garcis, U.S.A.*, Securities Exchange Act of 1934 Rel. No. 38495 (Apr. 10, 1997) (granting motion for summary disposition).

As one Administrative Law Judge explained,

By analogy to Rule 56 of the Federal Rules of Civil Procedure, a factual dispute between the parties will not defeat a motion for summary disposition unless it is both

¹ The Division asks that pursuant to Rule of Practice 323, the Court take official notice of this and all other information and filings on EDGAR referred to in this brief and/or filed as exhibits with the Welch Decl.

genuine and material. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986). Once the moving party has carried its burden, ‘its opponent must do more than simply show that there is some metaphysical doubt as to the material facts.’ *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). The opposing party must set forth specific facts showing a genuine issue for a hearing and may not rest upon the mere allegations or denials of its pleadings. At the summary disposition stage, the hearing officer’s function is not to weigh the evidence and determine the truth of the matter, but rather to determine whether there is a genuine issue for resolution at a hearing. *See Anderson*, 477 U.S. at 249.

Edward Becker, Initial Decision Rel. No. 252, 2004 SEC LEXIS 1135, at *5 (June 3, 2004).

This administrative proceeding was instituted under Section 12(j) of the Exchange Act. Section 12(j) empowers the Commission to either suspend (for a period not exceeding twelve months) or permanently revoke the registration of a class of securities “if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder.” It is appropriate to grant summary disposition and revoke a registrant’s registration in a Section 12(j) proceeding where, as here, there is no dispute that the registrant has failed to comply with Section 13(a) of the Exchange Act. *See California Service Stations, Inc.*, Initial Decision Rel. No. 368, 2009 SEC LEXIS 85 (Jan. 16, 2009); *Ocean Resources, Inc.*, Initial Decision Rel. No. 365, 2008 SEC LEXIS 2851 (Dec. 18, 2008); *Wall Street Deli, Inc.*, Initial Decision Rel. No. 361, 2008 SEC LEXIS 3153 (Nov. 14, 2008); *AIC Int’l, Inc.*, Initial Decision Rel. No. 324, 2006 SEC LEXIS 2996 (Dec. 27, 2006); *Bilogic, Inc.*, Initial Decision Rel. No. 322, 2006 SEC LEXIS 2596, at *12 (Nov. 9, 2006).

B. The Division is Entitled to Summary Disposition Against Accredited Business for Violations of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 Thereunder.

Section 13(a) of the Exchange Act and the rules promulgated thereunder require issuers of securities registered pursuant to Section 12 of the Exchange Act to file periodic and other reports with the Commission. Exchange Act Section 13(a) is the cornerstone of the Exchange Act, establishing a system of periodically reporting core information about issuers of securities. The Commission has stated:

Failure to file periodic reports violates a central provision of the Exchange Act. The purpose of the periodic filing requirements is to supply investors with current and accurate financial information about an issuer so that they may make sound decisions. Those requirements are “the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities.” Proceedings initiated under Exchange Act Section 12(j) are an important remedy to address the problem of publicly traded companies that are delinquent in the filing of their Exchange Act reports, and thereby deprive investors of accurate, complete, and timely information upon which to make informed investment decisions.

Gateway International Holdings, Inc., Securities Exchange Act Rel. No. 53907, 2006 SEC LEXIS 1288 at *26 (May 31, 2006) (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977)).

As explained in the initial decision in the *St. George Metals, Inc.* administrative proceeding:

Section 13(a) of the Exchange Act and the rules promulgated thereunder require issuers of securities registered pursuant to Section 12 of the Exchange Act to file periodic and other reports with the Commission. Exchange Act Rule 13a-1 requires issuers to submit annual reports, and Exchange Act Rule 13a-13 requires issuers to submit quarterly reports. No showing of scienter is

necessary to establish a violation of Section 13(a) or the rules thereunder.

St. George Metals, Inc., Initial Decision Rel. No. 298, 2005 SEC LEXIS 2465, at *26 (Sept. 29, 2005); *accord Gateway*, 2006 SEC LEXIS 1288 at *18, *22 n.28; *Stansbury Holdings Corp.*, Initial Decision Rel. No. 232, 2003 SEC LEXIS 1639, at *15 (July 14, 2003); and *WSF Corp.*, Initial Decision Rel. No. 204, 2002 SEC LEXIS 1242 at *14 (May 8, 2002).

There is no dispute that as of the date the OIP was instituted, Accredited Business had failed to file its periodic reports for almost two years, *i.e.*, any of its periodic reports after the Form 10-Q for the year ended September 30, 2012. (OIP, ¶ II.A.1; Accredited Business Answer, ¶ 1; Welch Decl., Ex. 2.) There is therefore no genuine issue with regard to any material fact as to Accredited Business's violations of Exchange Act Section 13(a) and the rules thereunder, and the Division is entitled to an order of summary disposition as to Accredited Business as a matter of law. *See Chemfix*, 2009 SEC LEXIS 2056 at *21-*23 (summary disposition granted in Section 12(j) action); *AIC Int'l, Inc.*, 2006 SEC LEXIS 2996 at *25 (same); *Bilogic, Inc.*, 2006 SEC LEXIS 2596 at *12 (same); *Investco, Inc.*, Initial Decision Rel. No. 240, 2003 SEC LEXIS 2792, at *7 (Nov. 24, 2003) (same); *Nano World Projects Corp.*, Initial Decision Rel. No. 228, 2003 SEC LEXIS 1968, at *3 (May 20, 2003) (Division's motion for summary disposition in Section 12(j) action granted where certifications on filings and respondent's admission established failure to file annual or quarterly reports); and *Hamilton Bancorp, Inc.*, Initial Decision Rel. No. 223, 2003 SEC LEXIS 431, at *4-*5 (Feb. 24, 2003) (summary disposition in Section 12(j) action).

**C. Revocation is the Appropriate Sanction for Accredited
Business's Serial Violations of Exchange Act Section
13(a) and Rules 13a-1 and 13a-13 Thereunder.**

Exchange Act Section 12(j) provides that the Commission may revoke or suspend a registration of a class of an issuer's securities where it is "necessary or appropriate for the protection of investors." The Commission's determination of which sanction is appropriate "turns on the effect on the investing public, including both current and prospective investors, of the issuer's violations, on the one hand, and the Section 12(j) sanctions on the other hand." *Gateway*, 2006 SEC LEXIS 1288, at *19-*20. In making this determination, the Commission has said it will consider, among other things: (1) the seriousness of the issuer's violations; (2) the isolated or recurrent nature of the violations; (3) the degree of culpability involved; (4) the extent of the issuer's efforts to remedy its past violations and ensure future compliance; and (5) the credibility of the issuer's assurances against future violations. *Id.*; see also *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979) (setting forth the public interest factors that informed the Commission's *Gateway* decision). Although no one factor is controlling, *Stansbury*, 2003 SEC LEXIS 1639, at *14-*15; and *WSF Corp.*, 2002 SEC LEXIS 1242 at *5, *18, the Commission has stated that it views the "recurrent failure to file periodic reports as so serious that only a strongly compelling showing with respect to the other factors we consider would justify a lesser sanction than revocation." *Impax Laboratories, Inc.*, Exchange Act Rel. No. 57864, 2008 SEC LEXIS 1197 at *27 (May 23, 2008). An analysis of the factors above confirms that revocation of China Integrated's securities is appropriate.

The Commission's decision in *Cobalis Corporation*, Exchange Act Rel. No. 64813, 2011 SEC LEXIS 2313 (July 6, 2011), is instructive. There, the Division sought

summary disposition in a Section 12(j) proceeding where the respondent had failed to make any of its delinquent filings despite promising to do so. *Id.*, at *6-7. The respondent in *Cobalis Corporation* argued that it was making efforts to bring its filings current and made assurances that it would comply in the future, yet had not made any actual EDGAR filings. The Commission rejected this argument, found that there was no genuine dispute of any fact material to the application of the *Gateway* factors and, accordingly, ordered that the respondent's registrations be revoked. *Id.* at *25. The Commission noted that revocation will “further the public interest by reinforcing the importance of full and timely compliance with the Exchange Act's reporting requirements.” *Id.* at *23 (quoting *Nature's Sunshine Products, Inc.*, Exchange Act Rel. No. 59268, 2009 SEC LEXIS 81, at *37 (Jan. 21, 2009)). The same analysis applies here, and Accredited Business's securities registration should be revoked.

1. Accredited Business's violations are serious and egregious.

As established by the record in this proceeding, Accredited Business's conduct is serious and egregious. Accredited Business has not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2012. Given the central importance of the reporting requirements imposed by Section 13(a) and the rules thereunder, Administrative Law Judges have found violations of these provisions of the same and of less duration to be egregious, and Accredited Business's violations support an order of revocation for each class of its securities. *See WSF Corp.*, 2002 SEC LEXIS 1242, at *14 (respondent failed to file periodic reports over two-year period); and *Freedom Golf Corp.*, Initial Decision Release No. 227, 2003 SEC LEXIS 1178, at *5

(May 15, 2003) (respondent's failure to file periodic reports for less than one year was egregious violation).

2. Accredited Business's violations of Section 13(a) have been not just recurrent, but continuous.

Accredited Business's violations are not unique and singular, but continuous. Accredited Business has failed to file any of its periodic reports since the period ended September 30, 2012. Accredited Business also failed to file any Forms 12b-25 seeking extensions of time to make its periodic filings for any of its periodic reports for periods after June 30, 2013. (Welch Decl., Ex. 2.) *See Investco, Inc.*, 2003 SEC LEXIS 2792, at *6 (delinquent issuer's actions were found to be egregious and recurrent where there was no evidence that any extension to make the filings was sought). The serial and continuous nature of Accredited Business's violations of Exchange Act Section 13(a) further supports the sanction of revocation here.

3. Accredited Business's degree of culpability, including its officers' and majority shareholder's violations of Exchange Act Section 16(a), and Accredited Business's proxy violations support revocation.

For many of the same reasons that Accredited Business's violations were long-standing and serious, they suggest a high degree of culpability. In *Gateway*, the Commission stated that, in determining the appropriate sanction in connection with an Exchange Act Section 12(j) proceeding, one of the factors it will consider is "the degree of culpability involved." The Commission found that the delinquent issuer in *Gateway* "evidenced a high degree of culpability," because it "knew of its reporting obligations, yet failed to file" twenty periodic reports and only filed two Forms 12b-25. *Gateway*, at 10, 2006 SEC LEXIS 1288, at *21. Similar to the respondent in *Gateway*, Accredited

Business has not filed any of its required Forms 12b-25 seeking extensions of time to make its periodic filings for the past year. Because Accredited Business knew of its reporting obligations and nevertheless failed to file its periodic reports, and failed to file the required Forms 12b-25 informing investors of the reasons for its delinquency and the plan to cure its violations for the past year, it has shown more than sufficient culpability to support the Division's motion for revocation.

Accredited Business's culpability is further demonstrated by its officers' and majority shareholder's violations of the individual reporting requirements under Exchange Act Section 16(a). This conduct, although not alleged in the OIP, provides further evidence of Accredited Business's culpability that the Court can and should consider when assessing the appropriate sanction for its admitted violations. *See Gateway* at 5, n.30 (Commission may consider other violations "and other matters that fall outside of the OIP in assessing appropriate sanctions"); *Citizens Capital Corp.*, Exchange Act Rel. No. 67313, 2012 SEC LEXIS 2024 at *32 (June 29, 2012) (management's failure to comply with Exchange Act Sections 13(d) and 16(a) "further brings into question the likelihood of the Company's future compliance with Section 13(a)"); *Ocean Resources, Inc.*, 2008 SEC LEXIS 2851 at *15 (ALJ found on summary disposition that respondent's assurances of future compliance achieved little credibility where its sole officer had ongoing violations of Exchange Act Section 16(a) in both the respondent's and other companies' securities).²

² The Commission has applied the same principle in other contexts. *Robert Bruce Lohman*, Exchange Act Rel. No. 48092, 2003 SEC LEXIS 1521 at *17 n.20 (June 26, 2003) (ALJ may properly consider lies told to staff during investigation in assessing sanctions, though they were not charged in the OIP); *Stephen Stout*, Exchange Act Rel. No. 43410, 2000 SEC LEXIS 2119 at *57 & n.64. (Oct. 4, 2000) (respondent's subsequent conduct in creation of arbitration scheme, which was not charged in OIP, found to be relevant in determining whether bar was appropriate); and *Joseph P. Barbato*, Exchange Act Rel. No. 41034, 1999 SEC LEXIS 276 at *49-*50 (Feb. 10, 1999) (respondent's conduct in contacting former

Section 16(a) violations

Exchange Act Section 16(a) requires that a person file a Form 3 within ten days of becoming an officer, director, or ten percent beneficial owner of a company and must file a Form 4 when the individual's holdings change. Currently, Accredited Business does not have a President. Andy William is the most senior officer and acting President, and Elisa Corea is the Vice President. Moreover, in or about November 2013, Abraham Blauvelt Ltd., an international private investment firm, acquired control of 51% of Accredited Business. (Accredited Business Form 8-K filed November 4, 2013, Welch Decl., Ex. 4; Accredited Business press release dated November 4, 2013, Welch Decl., Ex. 5; Email from Andy William to Division Counsel dated September 16, 2014, Welch Decl., Ex. 6.) Mr. William, Ms. Corea, and Accredited Business's new majority owner, Abraham Blauvelt Ltd., have failed to meet these requirements in connection with their positions.

Mr. William and Ms. Corea violated Exchange Act Section 16(a) and Rule 16a-1 thereunder by failing to file a Form 3 within ten days of becoming officers of Accredited Business, and Abraham Blauvelt Ltd. violated Exchange Act Section 16(a) and Rule 16a-1 thereunder by failing to file a Form 3 within ten days of becoming a more than ten percent beneficial owner of Accredited Business. (Welch Decl., Ex. 2.) Moreover, they also failed to report their positions in annual Forms 5 as required by Exchange Act Section 16(a) and Rule 16a-3. Their Forms 5 should have been filed within forty-five

customers identified as Division witnesses found to be indicative of respondent's potential for committing future violations). *See also SEC v. Falstaff Brewing Corp.*, 629 F.2d 62, 78 (D.C. Cir. 1980) (district court's injunction against future securities violations upheld; court found noncompliance with Exchange Act Section 16(a) "does evince a disregard of the securities laws that may manifest itself in noncompliance elsewhere.").

days following Accredited Business's December 31, 2013 fiscal year end, but they have never filed their Forms 5. (Welch Decl., Ex. 2.)

Proxy violations

Accredited Business's culpability is further demonstrated by its failure to file proxy statements with the Commission. Accredited Business is a Pennsylvania corporation, and under Pennsylvania law, 15 Pa. Cons. Stat. § 1755(a), (Welch Decl., Ex. 7), and the company's by-laws, (Welch Decl., Ex. 8), the company is required to hold at least one meeting of the shareholders in each calendar year for the election of directors. However, it has failed to comply with Exchange Act Sections 14(a) and/or 14(c) and rules thereunder by not filing the required proxies regarding annual elections of directors for any year since it was registered with the Commission. (Welch Decl., Ex. 2.)

4. Accredited Business has made no efforts to remedy its past violations, nor has it made any assurances against future violations.

Accredited Business has not hired an auditor to help it prepare its delinquent periodic reports, nor has it filed any of its delinquent periodic reports. (Welch Decl., Exs. 2 and 6.) In its Answer filed on August 21, 2014, the company said it "can and will bring the filings current as soon as practicable," which is not as soon as possible. (Accredited Business Answer, ¶ 11.) "Practicable" means that something is capable of being done, so Accredited Business has certainly not made any assurances that it will become current in an expeditious manner. Indeed, the company apparently has little regard for the requirements of the Exchange Act, which it agreed to abide by when it registered its securities with the Commission, as its Answer also states: "Portions of the Exchange Act, as amended, including the establishment of the PCAOB and electronic filing

requirements are unconstitutional, violate due process, and constitute a taking without just compensation.” (Accredited Business Answer, ¶ 14.)

D. Revocation is the Appropriate Remedy for Accredited Business.

As discussed above, a full analysis of the *Gateway* factors establishes that revocation is the appropriate remedy for Accredited Business’s long-standing violations of the periodic filings requirements. Accredited Business’s recurrent failures to file its periodic reports have not been outweighed by “a strongly compelling showing with respect to the other factors” which “would justify a lesser sanction than revocation.”

Impax Laboratories, Inc., 2008 SEC LEXIS 1197 at *27.

Moreover, revocation will not be overly harmful to whatever business operations, finances, or shareholders Accredited Business may have. The remedy of revocation will not cause Accredited Business to cease being whatever kind of company it was before its securities registration was revoked. The remedy instead will ensure that until Accredited Business becomes current and compliant on its past and current filings, its shares cannot trade publicly on the open market (but may be traded privately). *See Eagletech Communications, Inc.* Exchange Act Rel. No. 54095, 2006 SEC LEXIS 1534, at *9 (July 5, 2006) (revocation would lessen, but not eliminate, shareholders’ ability to transfer their securities). Revocation will not only protect current and future investors in Accredited Business, who presently lack the necessary information about Accredited Business because of the issuer’s failure to make Exchange Act filings; it will also deter other similar companies from becoming lax in their reporting obligations.

A new registration process will place all investors on an even playing field. All current investors will still own the same amount of shares in Accredited Business that

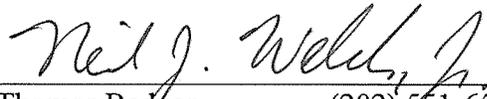
they did before registration, though their shares will no longer be devalued because of the company's delinquent status. All investors, current and future alike, will also benefit from the legitimacy, reliability, and transparency of a company in compliance. The time-out will protect the status quo, and will give Accredited Business the opportunity to come into full compliance, to calmly and thoroughly work through all of its remaining issues with its consultants, auditors, and management, and to complete its financial statements in compliance with Regulations S-K and S-X.

III. Conclusion

For the reasons set forth above, the Division respectfully requests that the Commission revoke the registration of each class of Accredited Business's securities registered under Exchange Act Section 12.

Dated: October 6, 2014

Respectfully submitted,



Thomas Bednar (202) 551-6556
Neil J. Welch, Jr. (202) 551-4731
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-6010

COUNSEL FOR
DIVISION OF ENFORCEMENT